

TELECOM

PROFESSIONALS, INC.

RECEIVED

2005 APR -1 AM 9:00  
J.R.A. DOCKET ROOM

2912 Lakeside Drive, Suite 100  
Oklahoma City, OK 73120

Judith A. Riley, J.D.

March 24, 2005

**Overnight Delivery**

Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

DOCKET NO.

05-00094

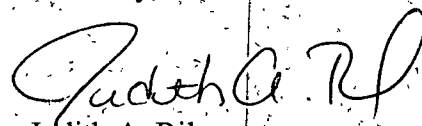
Re: Joint Application of Matrix Telecom, Inc. and Global Crossing Telecommunications, Inc., Global Crossing Local Services, Inc. and Global Crossing Telemanagement, Inc. for Expedited Approval of the Transfer of Certain Assets and a Waiver of Applicable Anti-Slamming Regulations

Enclosed please find an original and thirteen (13) copies of the above described Application and one (1) copy of confidential material in separately sealed identified envelope.

Please acknowledge receipt of this filing by file stamping the extra copy of the first page of the Application and returning it in the self-addressed stamped envelope provided for this purpose.

If you have any questions or need anything further, please contact me.

Sincerely,



Judith A. Riley  
Counsel to Matrix Telecom, Inc.

Enclosures

**BEFORE THE  
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF TENNESSEE**

Joint Application of )  
 )  
**Matrix Telecom, Inc. and** )  
 )  
**Global Crossing Telecommunications, Inc.,** )  
**Global Crossing Local Services, Inc. and** )  
**Global Crossing Telemanagement, Inc.** )  
 )  
for Expedited Approval of the Transfer )  
of Certain Assets and a Waiver of )  
Applicable Anti-Slamming Regulations. )

Docket No. 05-00094

**JOINT APPLICATION**

Matrix Telecom, Inc., (hereinafter referred to as "Matrix" or "Buyer") and Global Crossing Telecommunications, Inc., Global Crossing Local Services, Inc. and Global Crossing Telemanagement, Inc. (hereinafter referred to as "GC" or "Seller") (together the "Applicants"), by their undersigned counsel, pursuant to T.C.A. § 65-4-112, hereby request approval of the proposed transfer of certain assets held by Seller to Buyer and a waiver of applicable anti-slamming regulations, to the extent required.

In support of this Application, Applicants state the following:

**I. PARTIES.**

A. Matrix Telecom, Inc.

Matrix is a corporation organized under the laws of the State of Texas with its principal offices located at 300 N. Meridian, Oklahoma City, OK 73107. Matrix provides domestic and international long distance services to business and residential customers throughout the continental United States. Matrix is authorized to provide intrastate inter-

exchange telecommunications services in Tennessee.<sup>1</sup> Matrix has filed its Application For Authority to provide local telecommunications services in Tennessee. This Application is currently pending with the Commission.

A Certificate of Good Standing in the State of Tennessee for Matrix is attached hereto as Attachment A. Attached as Attachment B is the post-closing organizational chart for Matrix.

**B. Global Crossing**

Global Crossing Telecommunications, Inc. is a corporation organized under the laws of the State of Michigan with its principal offices located at 1080 Pittsford-Victor Road, Pittsford, New York 14534. Global Crossing Telecommunications is a long-distance carrier that provides voice and data services to business customers throughout the United States, including Tennessee.<sup>2</sup> Global Crossing Local Services, Inc. is a corporation organized and existing under the laws of the State of Delaware. Global Crossing Local Services provides facilities-based competitive local exchange services in various locations throughout the United States, including Tennessee.<sup>3</sup> Global Crossing Telemanagement, Inc. is a corporation organized and existing under the laws of the State of Wisconsin. Global Crossing Telemanagement provides resale-based competitive local exchange services in various locations throughout the United States, including Tennessee.<sup>4</sup>

## **II. DESCRIPTION OF THE TRANSACTION**

On March 19, 2005, GC and Matrix entered into an Asset Purchase Agreement (hereinafter referred to as "Agreement"). Pursuant to the terms and subject to the conditions of the Agreement, Matrix will purchase from GC certain assets and assume certain liabilities relating to GC's Small Business Group, which provides voice and data products to small and medium sized business enterprises throughout the United States. Upon consummation of the transactions contemplated in the Agreement, Matrix will serve the Small Business Group customer base, and GC will continue to provide service to those customers not previously served by its Small Business Group. GC will retain its authority to provide telecommunications

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1	October 13, 1995	95-03215
2	September 25, 1985	U-84-7325
3	November 19, 1999	99-11120
4	April 21, 1998	97-07531

services in Tennessee in order to continue to serve these customers.<sup>5</sup>

### **III. PUBLIC INTEREST**

Grant of the proposed transaction will serve the public interest. There will be no change to the rates, terms or conditions of service to the Small Business Group customers as a result of the transaction. Moreover, consummation of the proposed transaction will serve the public interest in promoting competition in the intrastate inter-exchange and local telecommunications market by providing Matrix the opportunity to strengthen its competitive position by combining GC's Small Business Group customer base with Matrix's current services, products and expertise. The proposed transaction also will free GC's resources to focus on its core global information services customers and invigorate its service to these customers. Moreover, approval of the transfer will permit Matrix to realize significant economic and marketing efficiencies which will enhance its ability to continue providing high quality, low cost telecommunications services and to compete more effectively in the telecommunications market. Matrix's operations will more readily increase in size and profitability, due to enhanced economies of scale. Accordingly, the proposed acquisition will benefit consumers through improved services and lower rates, thereby promoting competition in the telecommunications market. The market for voice and data services is becoming increasingly competitive in nature and such competition benefits consumers

Therefore, grant of the proposed transaction is in the public interest.

### **IV. REQUEST FOR EXPEDITED APPROVAL AND OF A WAIVER OF APPLICABLE ANTI-SLAMMING REGULATIONS.**

Applicants request that the Commission process this Application on an expedited basis. Expedition is warranted so that the Applicants may transfer the GC Small Business Group customer base to Matrix with a minimum of disruption and confusion. Expedited treatment will reduce consumer uncertainty as to the timing of the transaction and will permit the parties to arrange an orderly and seamless transition of the customers from GC to Matrix.

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<sup>5</sup> See, *supra*, notes 2-4 (citing GC's authority to provide services).

The Applicants hereto intend to provide at least 30 days' advance subscriber notice of the transfer to Matrix. Attached hereto as Attachment C is a copy of the Notice that will be sent to all subscribers. The letter attempts to take into account all relevant state and federal notification and consent requirements applicable to this transaction. However, out of an abundance of caution, the Applicants hereby request a waiver from any applicable anti-slamming regulations that may nevertheless be violated by this transfer being made without the specific authorization and verification of each subscriber affected, to the extent necessary. As stated above, this transaction will affect only sophisticated business customers with whom GC has individual contracts; no residential customers will be affected. Each of the Small Business Group subscribers will receive the requisite advance notice and will see no change in rates, terms or conditions of service from those currently in effect. The proposed transaction will be seamless and virtually transparent to said subscribers. Therefore, the public interest would be served by Commission grant of expedited approval of this Application and, to the extent required, waiver of anti-slamming regulations applicable to the transaction.

**V. FINANCIAL INFORMATION OF BUYER.**

Matrix has more than sufficient resources to insure its successful ongoing operations. Financial Statements of Matrix are being filed separately under seal as Confidential Attachment D to this Application. A Motion For Protective Order is being filed concurrent with this filing requesting that the financial information not be made available for public disclosure as the results of operations of the company which is privately held are contained therein and the release thereof would place Buyer at an unfair, competitive disadvantage.

**VI. CONTACT INFORMATION.**

The Applicants herein provide the following contact information for questions, notices, pleadings and other communications concerning this Application:

Judith A. Riley, Esq.  
Telecom Professionals, Inc.  
2912 Lakeside Drive

Oklahoma City, OK 73120  
Telephone: (405) 755-8177  
Facsimile: (405) 755-8377  
email: [jiriley@telecompliance.net](mailto:jiriley@telecompliance.net)

Counsel to Matrix Telecom, Inc.

and

Michael J. Shortley, III  
Global Crossing North America, Inc.  
1080 Pittsford-Victor Road  
Pittsford, New York 14534  
Telephone: (585) 255-1429  
Facsimile: (585) 381-6781  
email: [michael.shortley@globalcrossing.com](mailto:michael.shortley@globalcrossing.com)

with a copy to:

Teresa D. Baer  
Jeffrey A. Marks  
Latham & Watkins LLP  
555 Eleventh Street, NW  
Suite 1000  
Washington, DC 20004-1304  
Telephone: (202) 637-2200  
Facsimile: (202) 637-2201  
email: [teresa.baer@lw.com](mailto:teresa.baer@lw.com)  
[jeffrey.marks@lw.com](mailto:jeffrey.marks@lw.com)

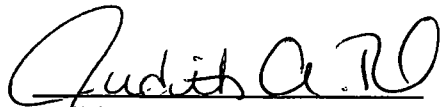
Counsel to Global Crossing Telecommunications, Inc., Global Crossing  
Local Services, Inc. and Global Crossing Telemangement, Inc.

## **VII. CONCLUSION.**

For the reasons stated herein, the Applicants request expedited approval of the transfer of assets and waiver of anti-slamming regulations as described herein, to permit the Applicants to consummate this transfer as soon as possible.

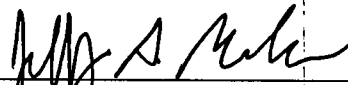
Dated this 24<sup>th</sup> day of March, 2005.

Respectfully Submitted,



Judith A. Riley, Esq.  
Telecom Professionals, Inc.  
2912 Lakeside Drive  
Oklahoma City, OK 73120  
Telephone-(405) 755-8177  
Facsimile-(405) 755-8377  
email-jriley@telecompliance.net

Counsel to Matrix Telecom, Inc.



Teresa D. Baer  
Jeffrey A. Marks  
Latham & Watkins LLP  
555 Eleventh Street, NW  
Suite 1000  
Washington, DC 20004-1304  
Telephone: (202) 637-2200  
Facsimile: (202) 637-2201  
email: teresa.baer@lw.com  
jeffrey.marks@lw.com


Counsel to Global Crossing Telecommunications,  
Inc., Global Crossing Local Services, Inc. and  
Global Crossing Telemangement, Inc.

VERIFICATION

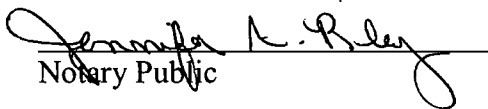
STATE OF OKLAHOMA       )  
  )  
COUNTY OF OKLAHOMA    )       SS

I, Dennis E. Smith, hereby declare under penalty of perjury, that I am the President of Matrix Telecom, Inc., (ABuyer@); that I am authorized to make this verification on behalf of Buyer; that I have read the foregoing; and that the facts stated therein are true and correct to the best of my knowledge, information and belief.

Dated this 22 day of march, 2005.

  
\_\_\_\_\_  
Dennis E. Smith  
President  
Matrix Telecom, Inc.

Sworn to and subscribed before me this 22 day of mar, 2005.

  
\_\_\_\_\_  
Notary Public

My Commission expires:

11-9-08

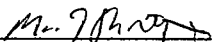


**VERIFICATION**

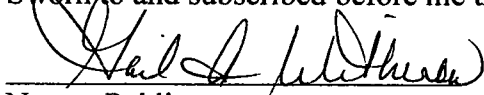
**STATE OF NEW YORK** )  
 ) **SS**  
**COUNTY OF MONROE** )

I, Michael J. Shortley, III, hereby declare under penalty of perjury, that I am Vice President and General Counsel – North America of Global Crossing Telecommunications, Inc., Global Crossing Local Services, Inc. and Global Crossing Telemanagement, Inc., (ASellers@); that I am authorized to make this verification on behalf of Sellers; that I have read the foregoing; and that the facts stated therein are true and correct to the best of my knowledge, information and belief.

Dated this 23rd day of March, 2005.

  
\_\_\_\_\_  
Michael J. Shortley, III  
Vice President and General Counsel –  
North America  
Global Crossing Telecommunications, Inc.,  
Global Crossing Local Services, Inc.  
and Global Crossing Telemanagement, Inc.

Sworn to and subscribed before me this 23<sup>rd</sup> day of March, 2005.

  
\_\_\_\_\_  
Notary Public

My Commission expires:

February 12, 2007  
GAIL A. WITHEROW  
Notary Public, State Of New York  
Qual In Monroe Co No. 01WI6055064  
Commission Expires 2/12/2007

**ATTACHMENT A**

**MATRIX'S CERTIFICATE OF GOOD STANDING – TENNESSEE  
(ATTACHED)**

Secretary of State  
Division of Business Services  
312 Eighth Avenue North  
6th Floor, William R. Snodgrass Tower  
Nashville, Tennessee 37243

ISSUANCE DATE: 02/22/2005  
REQUEST NUMBER: 05053126  
TELEPHONE CONTACT: (615) 741-6488

CHARTER/QUALIFICATION DATE: 02/18/1992  
STATUS: ACTIVE  
CORPORATE EXPIRATION DATE: PERPETUAL  
CONTROL NUMBER: 0250103  
JURISDICTION: TEXAS

TO:  
CFS  
8161 HIGHWAY 100  
#172  
NASHVILLE, TN 37221

REQUESTED BY:  
CFS  
8161 HIGHWAY 100  
#172  
NASHVILLE, TN 37221

CERTIFICATE OF AUTHORIZATION

I, RILEY C DARNELL, SECRETARY OF STATE OF THE STATE OF TENNESSEE DO HEREBY CERTIFY THAT

"MATRIX TELECOM, INC.",

A CORPORATION FORMED IN THE JURISDICTION SET FORTH ABOVE, IS AUTHORIZED TO  
TRANSACTION BUSINESS IN THIS STATE:  
THAT ALL FEES, TAXES, AND PENALTIES OWED TO THIS STATE WHICH AFFECT THE  
AUTHORIZATION OF THE CORPORATION HAVE BEEN PAID:  
THAT THE MOST RECENT CORPORATION ANNUAL REPORT REQUIRED HAS BEEN FILED  
WITH THIS OFFICE; AND  
THAT AN APPLICATION FOR CERTIFICATE OF WITHDRAWAL HAS NOT BEEN FILED.

FOR: REQUEST FOR CERTIFICATE

ON DATE: 02/22/05

FROM:  
CFS  
8161 HIGHWAY 100  
#172  
NASHVILLE, TN 37221-0000

RECEIVED:	FEES	\$100.00	\$0.00
TOTAL PAYMENT RECEIVED:		\$100.00	
RECEIPT NUMBER:		00003660467	
ACCOUNT NUMBER:		00101230	



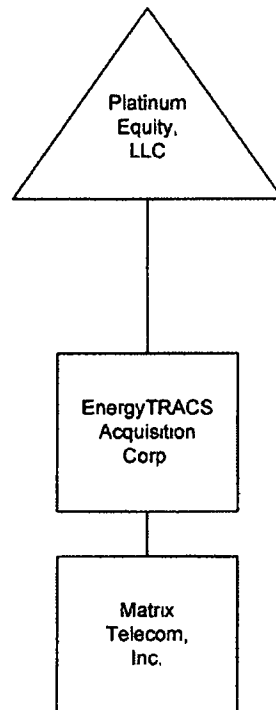
SS-158

*Riley C. Darnell*

RILEY C. DARNELL  
SECRETARY OF STATE

**ATTACHMENT B**

**POST-CLOSING ORGANIZATIONAL CHART**



**ATTACHMENT C**  
**SUBSCRIBER NOTIFICATION**



DATE, 2005

Dear Customer

Global Crossing Telecommunications, Inc. and its affiliated companies ("Global Crossing") currently provide your local and/or long distance service. Matrix Telecom, Inc. ("Matrix") has agreed to acquire some of the assets of Global Crossing and will shortly begin providing local and/or long distance services to Global Crossing customers currently being served by the Global Crossing Small Business Group. This transfer will not affect your rates or the terms and conditions of your service.

Subject to obtaining state and federal regulatory approvals, we anticipate that the transition will occur in the near future, but not before May 15, 2005. Unless you have begun using a service provider other than Global Crossing prior to this date, Matrix will transition your current local and/or long distance service to Matrix. If Global Crossing is not your local service provider, the change to Matrix will not impact your local carrier selection.

The rates you currently pay for long distance, as well as your terms and conditions of service, will remain unchanged. If, in the future, there are any changes to your rates or the terms and conditions of your service, you will be notified of them by mail.

Except in the event of the existence of a contract for your telecommunications service, you have the right to subscribe to local and long distance service from any service provider you wish. This decision is entirely up to you, and you may choose to switch to another carrier either before or after this change occurs. Matrix values your continued business and will gladly respond to any questions or complaints you may have about your service either prior to or during the change. Because of this change, a carrier change charge may appear on your bill. However, Matrix will be happy to credit any such charges that appear on your bill due to the change to Matrix. However, selecting a carrier other than Matrix may result in a charge being imposed for which Matrix will not be responsible.

If you are a long distance customer only, and you have arranged a preferred carrier freeze through your local carrier on the service(s) involved in this transfer, the freeze will be removed in order to transition your service to Matrix. After the transfer, you must contact your local carrier if you want to re-establish a preferred carrier freeze.

Until the actual transfer date, Global Crossing will continue to be responsible for all customer service and billing issues. You should contact Global Crossing with any complaints or other customer services inquiries you may have prior to the transfer. After the transfer date, you should refer your questions to Matrix.

If you have any questions regarding this notice, please contact Matrix toll-free at (888) 829-6926 or your Global Crossing representative.

Sincerely,  
**Matrix Telecom, Inc.**  
**Global Crossing Telecommunications, Inc.**

**CONFIDENTIAL ATTACHMENT D**

**MATRIX TELECOM, INC.**

**FINANCIAL STATEMENTS  
(Filed Separately Under Seal)**



**BEFORE THE  
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF TENNESSEE**

Joint Application of )

Matrix Telecom, Inc. and )

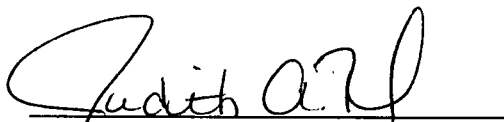
Global Crossing Telecommunications, Inc., )  
Global Crossing Local Services, Inc. and )  
Global Crossing Telemanagement, Inc. )

Docket No. \_\_\_\_\_

for Expedited Approval of the Transfer )  
of Certain Assets and a Waiver of )  
Applicable Anti-Slamming Regulations. )

**MOTION FOR LIMITED PROTECTIVE ORDER; CONFIDENTIAL  
MATERIALS ATTACHED AND FILED UNDER SEAL, NAMELY,  
ATTACHMENT D (Financial Information of Matrix Telecom, Inc.) TO THE  
APPLICATION FILED CONCURRENTLY HERewith.**

Dated. March 24<sup>th</sup>, 2005.



Judith A. Riley, Esq.  
Telecom Professionals, Inc.  
2912 Lakeside Drive, Suite 100  
Oklahoma City, OK 73120  
Telephone (405) 755-8177  
Facsimile (405) 755-8377

Counsel to Matrix Telecom, Inc.

**BEFORE THE  
PUBLIC UTILITIES COMMISSION  
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of Certain Assets and a Waiver of )  
Applicable Anti-Slamming Regulations. )

Docket No. \_\_\_\_\_

**MOTION FOR PROTECTIVE ORDER**

Matrix Telecom, Inc., (hereinafter referred to as "Matrix" or "Buyer") and Global Crossing Telemanagement, Inc., Global Crossing Local Services, Inc. and Global Crossing Telemanagement, Inc., (hereinafter referred to as "GC" or "Seller"), (together the "Applicants") have, concurrently with the filing of this motion, filed an Application with the Public Utilities Commission of Tennessee ("Commission") seeking expedited approval of the Commission of a proposed transfer of certain assets held by Seller to Buyer and a waiver of applicable anti-slamming regulations. The Application contains confidential financial information regarding Matrix's businesses, including detailed results of operations that, if disclosed to the general public, could place Matrix at an unfair, competitive disadvantage.

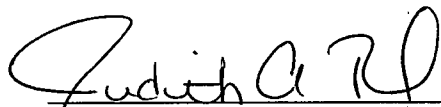
Under Pub. Util. Code § 583 of the Tennessee Public Utilities Code and General Order No. 66-C, the Commission may order confidential information submitted to the Commission to be sealed and not open to public inspection if, by revealing such documents, a regulated company would be placed at an unfair business disadvantage. See, General Order No. 66-C(2.2)(b).

Matrix submits that sufficient and good cause exists for the Commission to apply the protective mechanisms set forth in General Order No. 66-C to the financial information filed by Matrix and therefore requests that the Commission enter an order protecting said confidential information from public disclosure. This information is referred to in the Application as Confidential Attachment D but has been filed under seal as Attachment A to this motion pending a Commission ruling on this request.

WHEREFORE, as provided in Pub. Util. Code § 583 and General Order No. 66-C, Matrix respectfully requests that the Commission issue a protective order as set forth herein.

Submitted this 24<sup>th</sup> day of March, 2005.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Judith A. Riley", is written over a horizontal line.

Judith A. Riley  
Telecom Professionals, Inc.  
2912 Lakeside Drive, Suite 100  
Oklahoma City, Oklahoma 73120  
Telephone-(405) 755-8177  
Facsimile-(405) 755-8377  
email-jriley@telecompliance.net

Counsel to Matrix Telecom, Inc.

**CONFIDENTIAL**

**ATTACHMENT A**

**Confidential Information**